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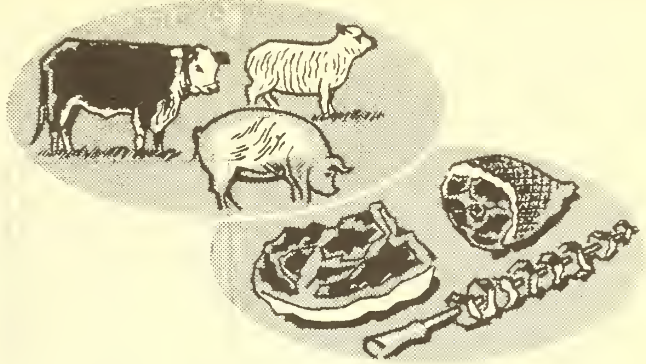
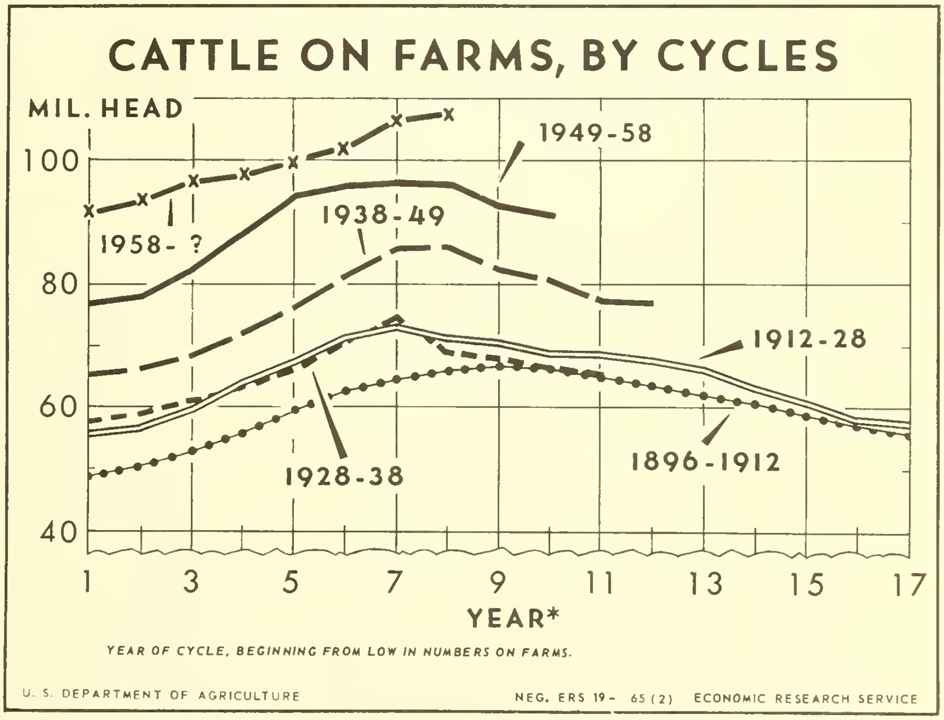
LIVESTOCK and MEAT SITUATION



LMS-142 For Release March 11, P. M. MARCH 1965

A record-high 107.2 million cattle and calves were on farms on January 1, 1965--about 0.5 million head more than a year earlier. Cattle and calf numbers have increased steadily since 1958. This year's beginning inventory may be the peak in the present cycle, since slaughter rates in 1965 would only have to rise 1 to 2 percent to prevent a further expansion. However, the calf crop is expected to be up again this year because the number of all cows on farms and ranches increased 1.2 percent during 1964.

Dairy cattle numbers declined 3 percent last year, but numbers of beef cattle rose 2 percent. All classes of beef cattle increased except steers 1 year old and older which declined 5 percent.



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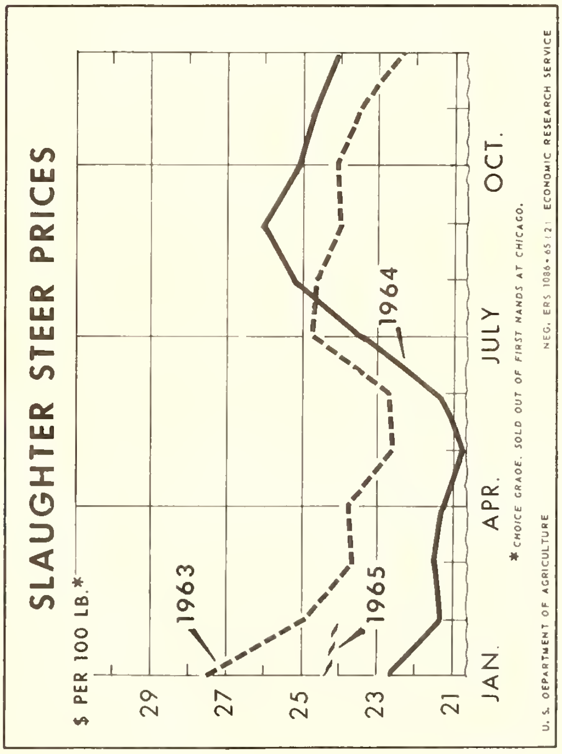

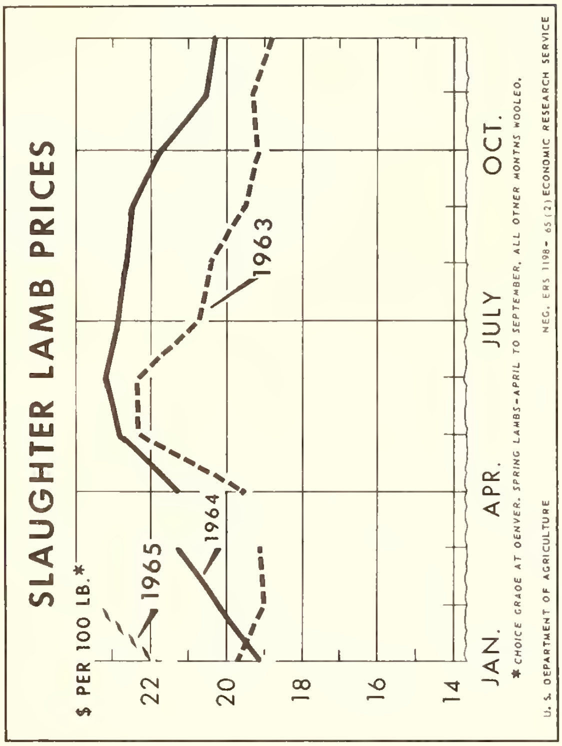

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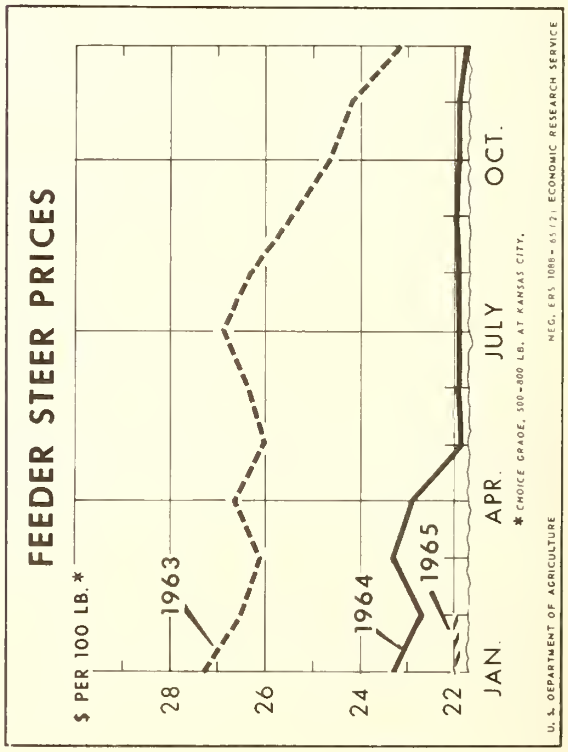
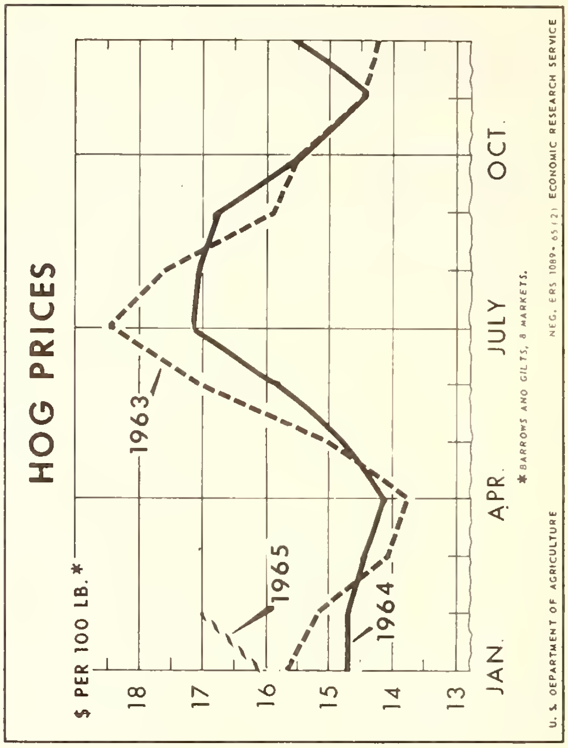




LIVESTOCK AND MEAT SITUATION

Approved by the Outlook and Situation Board, March 3, 1965

CONTENTS

SUMMARY

The number of cattle and calves on farms rose to a record 107.2 million head on January 1, 1965, from 106.7 million a year earlier--the seventh consecutive annual increase. However, the gain was the smallest since 1959 when the upswing in the current number cycle began. Animals kept for dairy purposes declined 3 percent, but the number of beef cattle increased 2 percent.

Thus, capacity to produce beef is up again this year. Although some adjustments were made in the cattle inventory last year, the calf crop will be larger in 1965 than it was last year.

Beef production this winter has continued moderately larger than a year earlier with increases in both fed and nonfed beef. However, consumer demand has continued strong and fed cattle prices have held mostly steady this winter at levels somewhat above a year earlier. Choice steers at Chicago are averaging around $24 per 100 pounds. Fed cattle prices may slide off a little this spring since slaughter is likely to be above winter levels. However, output of fed beef is likely to be below a year earlier and prices are expected to remain well above the April-June 1964 average of $21.12 (Choice steers at Chicago).

Lighter marketing weights this winter than a year earlier helped fed cattle prices by lowering the amount of beef produced per head. Marketing weights likely will continue at reduced levels, although the margin under a year earlier probably will narrow toward midyear. However, the supply of animals suitable for feedlot feeding is still large enough to maintain a large volume of fed cattle marketings.

Hog slaughter has been below year-earlier levels this winter and likely will remain below for the rest of the year. The June-November 1964 pig crop was down 8 percent from the year before. Producers in December reported intentions to have 7 percent fewer sows farrow in the December 1964-May 1965 period.

Hog prices responded to lower slaughter rates and rose from a November low of $14.43 to about $17 in late February (barrows and gilts at 8 markets). Some price weakness may occur before the summer price run-up begins. However, hog prices are expected to remain moderately above those of 1964 during the spring months and then average well above 1964 rates this summer when prices reach their seasonal peak.

Numbers of sheep and lambs on farms declined for the fifth consecutive year and totaled 26.7 million head on January 1, 1965. The decline was general throughout the country. The smaller beginning inventory points to a 3-4 percent reduction in the 1965 lamb crop from 1964.

Sheep and lamb slaughter has trailed year-earlier rates so far in 1965 and is expected to stay relatively low this spring and summer. Lamb prices averaged $22 per 100 pounds in January (Choice lambs, Denver), $2.86 above a year earlier. Slaughter lamb prices likely will continue to average well above year-earlier levels this spring and summer in response to smaller slaughter supplies.

REVIEW AND OUTLOOK

Cattle Numbers Up; Hog and Sheep Numbers Down

Inventory numbers of cattle on farms January 1, 1965, were up from a year earlier, but numbers of hogs and sheep and lambs were down. The index of meat animals on farms and ranches was 111 (1957-59=100), down 1 point from the record high of 112 on January 1, 1964. The index of milk cattle on farms was 83, down 3 points from a year earlier. The poultry index stood at 99, up 2 points from 1964.

The inventory value of cattle, hogs, and sheep on farms and ranches January 1, 1965, was $14.0 billion, down 9 percent from a year earlier. The value of all cattle was $12.2 billion, down 10 percent from a year earlier. The value per head was off more than enough to offset the slight increase in inventory. The value of hogs and pigs on farms, at $1.3 billion, declined 3 percent. The number on hand was down 9 percent, but the value per head was up 6 percent. All sheep were valued at $425 million, up 7 percent, reflecting a sharp increase in value per head as numbers on farms were down 5 percent.

CATTLE

Cattle Numbers Continue Upward

The inventory of cattle and calves on farms January 1, 1965, was a record 107.2 million head--up slightly from the 106.7 million a year earlier. The increase of about 500,000 head during 1964 was considerably smaller than the gain of 3 million in 1963 and 3.7 million in 1962.

The number of cattle and calves on farms January 1 was below a year earlier in 23 States, but above a year earlier in 21 States. Six States showed no change. Montana and South Dakota had the largest gains, up 5 percent, while New Mexico had the sharpest drop, down 12 percent. In spite of lower cattle and calf prices and below average grazing conditions in 1964, all States except Virginia, West Virginia, Louisiana, Texas, and New Mexico had as many or more beef cows on hand January 1, 1965, than a year earlier.

Although some adjustment was made by the cattle industry in 1964 by holding down the rate of growth in numbers, the potential for producing beef continued to increase. Beef cattle numbers rose 1.2 million head during 1964--up 2 percent from a year earlier, although somewhat less than the 5 and 7 percent increases of the 2 preceding years. The number of all cows, 2 years old and older, increased by about 600,000 head. The increase in cow numbers was due to 1.1 million more beef cows (up 3 percent) as the number of cows kept for milk purposes was down 0.5 million. With the 3 percent increase in beef cows, the number of beef calves will be up proportionately. As a result, a larger number of animals will be available for feeding or for addition to the beef herd late this year and in 1966.

Cattle Cycle

Last year was the seventh consecutive year in the buildup phase of the present cattle cycle that began in 1958. With the large increase in slaughter last year--up 12 percent from 1963--the total inventory increased only slightly. An increase in slaughter this year of 1-2 percent would halt the buildup in numbers and result in a slight downturn in numbers. In view of the continued heavy rate of slaughter through February and the expectation that slaughter will at least equal year-earlier levels during the rest of the year, it appears likely that cattle numbers will decline slightly during 1965.

The last downswing, which started in 1955, lasted 3 years, the shortest downswing in the history of cattle cycles. The dry summers of 1955 and 1956 probably accelerated the downturn and shortened the length of the adjustment period. The drought also was probably responsible for the more than proportional adjustment in cow numbers. With large numbers of cattle on hand and ranges heavily stocked, weather undoubtedly will play an important part in the way cattle numbers will go.

Widespread drought would force a large movement of cattle, including cows, to slaughter. The effect of serious drought on cattle numbers was brought out last year in New Mexico, where cattle and calf numbers dropped 12 percent. However, in the absence of drought, cow herds--if reduced at all--likely would be decreased only slightly, as in the 2 downswings prior to 1955-58.

Large increases in slaughter last year resulted in the number of steers (1 year old and older) being decreased 5 percent while heifers and calves were increased only 2 percent compared to 5 and 8 percent in the 2 previous years.

Table 1.--Number of livestock on farms and ranches January 1, United States, 1955 to date 1/

Year	All cattle and calves	All sheep and lambs	Hogs	Chickens	Total livestock and poultry	Meat animals	Milk cattle	Poultry
	Number on farms January 1				Index numbers, by groups (1957-59=100)			
	1,000 head	1,000 head	1,000 head	1,000 head				
1955	96,592	31,582	50,474	390,708	104	103	111	100
1956	95,900	31,157	55,354	383,690	104	104	107	98
1957	92,860	30,654	51,897	391,363	100	100	105	102
1958	91,176	31,217	51,517	374,281	98	98	100	97
1959	93,322	32,606	58,045	387,002	102	102	95	101
1960	96,236	33,170	59,026	369,484	104	104	93	96
1961	97,534	32,982	55,506	361,685	104	104	92	96
1962	100,002	31,320	57,000	368,452	106	106	91	97
1963	103,736	29,793	58,883	366,823	110	110	89	97
1964	106,743	28,021	58,119	369,959	112	112	86	97
1965 2/	107,152	26,668	53,052	376,714	111	111	83	99

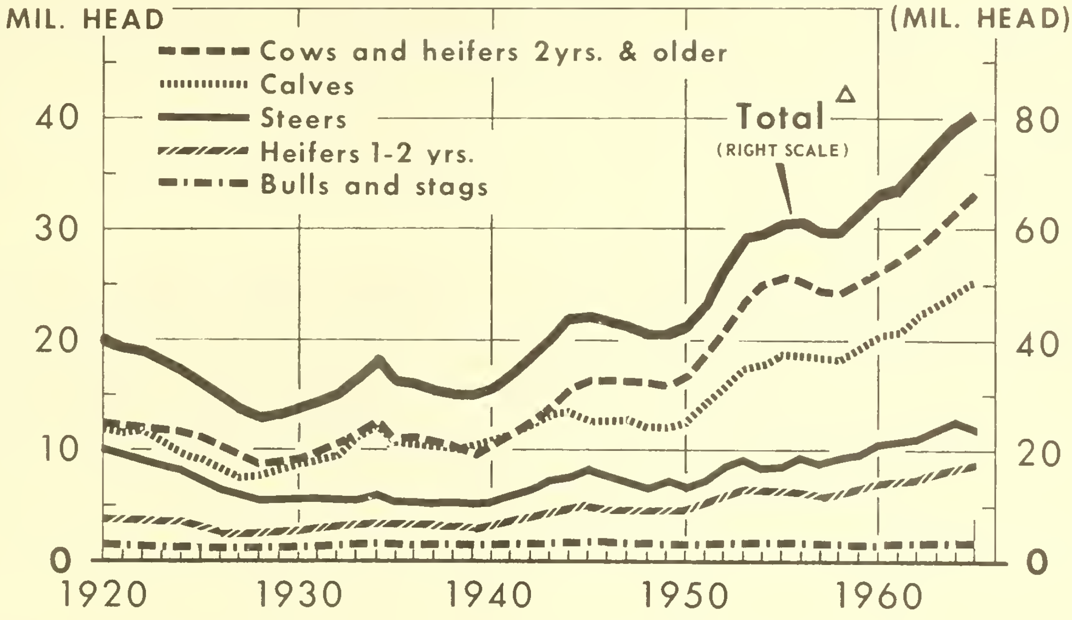
1/ Data for 50 States beginning in 1961.
2/ Preliminary.

Table 2.--Number of cattle and calves on farms and ranches January 1, by classes, United States, 1955 to date 1/

Year	For milk: Cows and heifers, 2 years and over	For milk: Heifers 1 to 2 years old	For milk: Heifer calves	For milk: Total	Not for milk: Cows and heifers, 2 years and over	Not for milk: Heifers, 1 to 2 years old	Not for milk: Calves	Not for milk: Steers, 1 year old and over	Not for milk: Bulls, 1 year old and over	Not for milk: Total
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head
1955	23,462	5,786	6,094	35,342	25,659	6,514	18,804	8,444	1,829	61,250
1956	22,912	5,407	5,890	34,209	25,371	6,206	18,869	9,483	1,762	61,691
1957	22,325	5,267	5,699	33,291	24,534	5,926	18,405	8,991	1,713	59,569
1958	21,265	5,126	5,571	31,962	24,165	5,903	18,275	9,252	1,619	59,214
1959	20,132	5,050	5,526	30,708	25,112	6,557	19,407	9,931	1,607	62,614
1960	19,527	5,079	5,575	30,181	26,344	7,036	20,425	10,574	1,676	66,055
1961	19,361	5,063	5,550	29,974	27,102	7,069	20,705	10,977	1,707	67,560
1962	19,167	4,965	5,418	29,550	28,305	7,333	22,050	11,060	1,704	70,452
1963	18,679	4,823	5,149	28,651	29,970	7,909	23,330	12,129	1,747	75,085
1964	18,088	4,558	4,993	27,639	31,811	8,326	24,575	12,574	1,818	79,104
1965 2/	17,593	4,374	4,874	26,841	32,883	8,513	25,133	11,926	1,856	80,311

1/ Data for 50 States beginning in 1961.
2/ Preliminary.

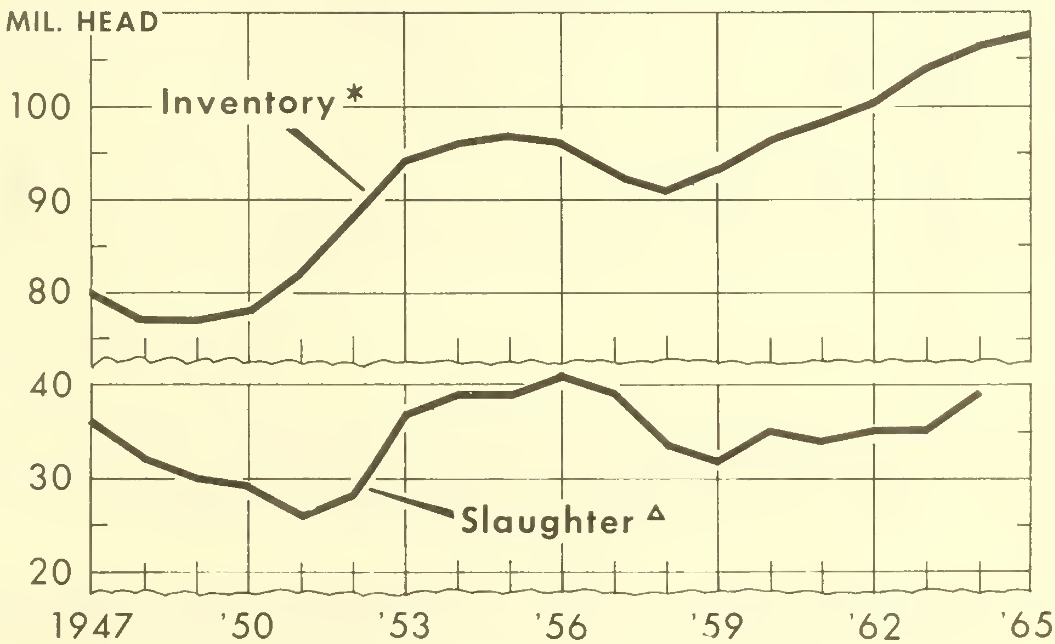
BEEF CATTLE INVENTORY*



*NUMBER ON FARMS AS OF JAN. 1. △ALL OTHER CURVES PLOTTED ON LEFT SCALE.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 3036-65 (2) ECONOMIC RESEARCH SERVICE

CATTLE INVENTORY AND SLAUGHTER



* CATTLE AND CALVES ON FARMS. △ TOTAL CATTLE AND CALF SLAUGHTER.

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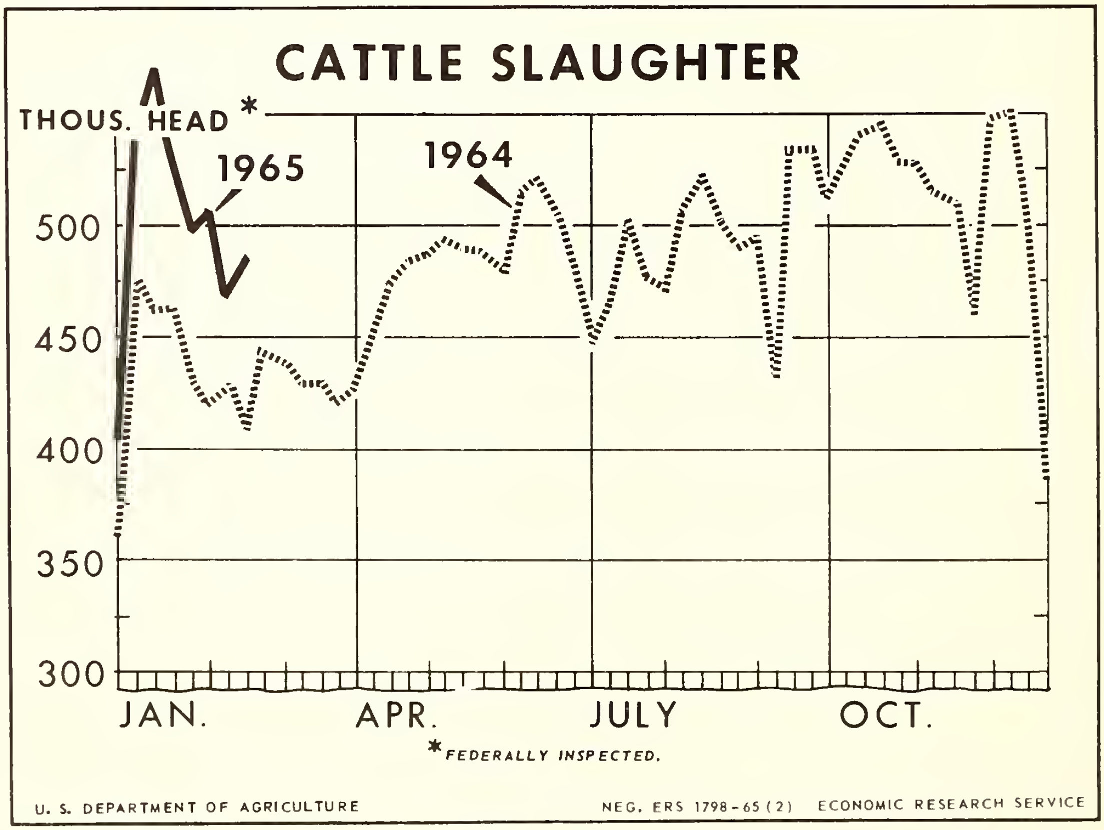
Continued large slaughter this year, equaling or exceeding that of 1964, likely would result in the number of steers being reduced again as well as a decline in the number of heifers. In addition, the number of older heavier steers and heifers likely would decline to an even greater extent. Therefore, even though a downswing in cattle numbers may be starting, it will probably be only a few years before expansion is renewed.

Heavy Slaughter Continues; Prices Steady

Commercial cattle slaughter in January was up 5 percent from year-earlier levels despite 2 fewer slaughtering days. Slaughter under Federal inspection on a weekly basis has continued above year-earlier levels in February, but by a smaller margin than in January. A large part of this gain from a year ago was a continuation of heavy cow slaughter. Cow slaughter in federally inspected plants in January was up 19 percent from year-earlier levels, while steer and heifer slaughter was up only 4 percent. Total marketings of steers and heifers out of first hands during January at 14 markets were up only 2 percent from a year earlier.



The number of heavy animals on feed January 1 was down substantially from the year before. The total of steers on feed weighing over 1,100 pounds and heifers weighing over 900 pounds was down 29 percent from last year. However, fed cattle marketings probably were up slightly during January. Thus, it appears that marketings this winter apparently included a large number of animals from the lighter weight groups. Steers weighing between 900 and 1,100 pounds on January 1, combined with heifers weighing 700-900 pounds, showed a 5 percent increase from last year. Based on average gains, these animals normally would be marketed during February-April.

Production of fed beef in the first quarter likely will total about the same or slightly lower than a year earlier, even though marketings out of feedlots may exceed those of 1964. This is because cattle are being marketed at lighter weights than in the early months of 1964. However, total beef production this winter probably was up slightly due to continued heavy slaughter of cows and other nonfed beef animals.

Choice steers at Chicago averaged $24.28 during January, $1.67 above year-earlier levels and 27 cents above the December 1964 average. Prices have remained steady during February, and for the week ended February 25 averaged $24.02. Prices of higher grade finished animals have been running well above year-earlier levels, while prices of animals grading Good or below have averaged only slightly above. Although marketings of steers and heifers out of first hands during January at 14 markets were up 2 percent, marketings of Prime and Choice animals were below year-earlier levels.

During January, the price spread between Choice and Good steers at Chicago averaged about $1.70 and increased during February as marketings of highly finished cattle declined. If feeders continue to market in an orderly fashion and do not delay marketings by feeding to heavier weights, the supply of high Choice and Prime cattle probably will continue below year-earlier levels.

Since last summer, feeders have been moving cattle to market at lighter weights and after a shorter period on feed. However, if marketings are delayed, any short-run gains from increased prices likely would be more than offset by increased production later on and a corresponding decrease in price.

Fed Beef Prices This Spring Above Year Ago

Fed cattle marketings are expected to continue large through the second quarter. However, slaughter rates are expected to be below the extremely high levels of last spring and weight per head is expected to be down. Thus, fed beef production is likely to be slightly to moderately smaller than last spring.

The number of steers weighing 700-900 pounds on January 1 and heifers weighing 500-700 pounds was unchanged from 1964. However, slaughter supplies in the spring months likely will be slightly below year-earlier levels. The

bulge in supplies last spring was caused to a large extent by the substantial number of heavyweight feeder cattle placed on feed in the winter months and marketed in the spring. This situation is not expected to be repeated this year.

Last year, placements in the first quarter totaled 3.5 million head, up 23 percent from 1963. It is not likely that placements during the first quarter will exceed those of last year. If first quarter marketings out of feedlots average 3 to 5 percent above year-earlier levels, placements equal to last year would result in about 1 to 2 percent less cattle on feed April 1. To hold the April 1 number on feed at last year's level, placements would have to be up 3 to 4 percent during January-March.

Fed beef production in the second quarter likely will be down somewhat from year-earlier levels. However, second quarter fed beef supplies likely will be larger than those in the first quarter. Besides the possible decline in marketings, lighter marketing weights this year than in 1964--especially during April and May--will also tend to reduce the supply of fed beef this spring. However, lower fed beef production is likely to be largely offset by increases in cow slaughter and other nonfed animals. As a result, total beef production in April-June probably will be close to the high level of last spring.

Past experience suggests that about 3 percent more beef can be absorbed each year without adverse effect on price because of gains in population, income, and a continuing preference for beef. This past trend seems likely to continue in 1965. Additional positive factors which will add to the strength in fed cattle prices this year are reduced supplies of pork and lamb, and the continuation of lighter marketing weights at least through midyear.

However, several factors will tend to offset the normal increases in demand and the corresponding price-boosting effects from the second quarter on this year. Last year, the USDA beef purchase program acquired more than 3 percent of total production during the second quarter. In addition, since marketing weights were reduced from May on last year, it is unlikely that much price strength can be gained from lighter marketing weights during the latter part of the spring quarter and in the second half of the year. Also, the payment of additional income taxes due to insufficient withholding may have some dampening effect on demand in the spring.

Therefore, in view of prospective supply and demand conditions, fed cattle prices this spring likely will average well above the year-earlier average of $21.12, but likely will decline a little from mid-February levels. Last year, a factor in the early-year price difficulties was the large number of heavy feeder cattle available that could be marketed after 3-4 months in the feedlot. Many of these heavier animals were directed for the spring market, and prices declined to a 7-year low. With 5 percent fewer steers available and probably even fewer older, heavier steers, placements for short-term feeding likely will not be as large this year.

Table 3.--Selected prices per 100 pounds of cattle, by months, 1964-1965

Month	Chicago				Kansas City			
	Choice steers		Utility cows		Good feeder steers 500-800 lb.		Choice feeder steer calves	
	1964	1965	1964	1965	1964	1965	1964	1965
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	22.61	24.28	13.19	12.80	21.32	19.56	26.01	22.85
February	21.34	1/24.01	13.51	1/13.37	20.76	1/19.41	26.16	1/21.92
March	21.56		14.58		20.92		26.64	
April	21.28		14.84		19.82		25.29	
May	20.52		14.53		19.41		24.17	
June	21.57		14.39		19.87		24.02	
July	23.44		13.68		19.08		23.42	
August	25.28		13.85		18.66		22.90	
September	26.07		14.30		19.38		23.12	
October	25.07		12.94		18.83		22.63	
November	24.64		12.53		19.42		22.82	
December	24.01		12.50		19.06		22.45	
Average	23.12		13.74		19.71		24.14	

1/ February is 4-week average.
Compiled from Market News, Livestock Division, AMS.

Fed Cattle Supply After Midyear About Like 1964

Summer and fall marketings of fed cattle will depend largely on winter and spring placements, and the number of lighter weight cattle on feed last January 1. The number of lightweight cattle on feed January 1 (steers weighing less than 700 pounds and heifers weighing less than 500 pounds) was up more than 6 percent from a year earlier.

With prospects for continuation of more favorable feeding margins during the next few months compared with a year earlier, placements in the first half of the year are expected to be large. If so, fed cattle marketings likely will equal those in the second half of 1964. Consumer demand is expected to be strong, but with no purchase program this year, supplies in commercial channels likely will be about 3 percent larger. As a result, prices probably will average near year-earlier levels.

Feeder Supply Unchanged; Prices Up Slightly

Even though the January 1 inventory of steers 1 year and older was down 5 percent, the combined classes of livestock from which feedlot replacements will come this year (calves, steers 1 year and older, and heifers 1-2 years old) were up slightly. In addition, this year's calf crop (including dairy animals) likely will be up a little from last year's 43 million head. More important to potential beef production in 1966 is that the number of beef calves born this year may increase by nearly a million head.

In January, Choice feeder steers (500-800 pounds) at Kansas City averaged $21.43 per 100 pounds, up 50 cents from month-earlier averages. However, the January average was about $1.80 less than year-earlier levels and $5.80 below January 1963 levels.

Cattle feeders, after the price losses during much of 1963 and the first half of 1964, have remained reluctant to bid up the price of replacement cattle. This caution likely will continue through most of 1965, in view of the adequate supply of feeder cattle available. Also hampering feeder price gains have been poor wheat pasture conditions in the Southern and Central plains, and generally poor fall grazing conditions due to dryness.

Feeder cattle prices are likely to be kept under continued pressure this spring because (1) there are large numbers available, (2) beef production is expected to continue large, and (3) fed cattle prices are expected to decline slightly this spring.

Unusually good grazing conditions this spring would enable cow-calf operators to hold more feeder cattle on the ranges. This would reduce the supply of cattle available for spring and summer feedlot placement and would tend to strengthen prices. On the other hand, widespread dryness would accelerate the movement of cattle from the ranges and prices probably would decline.

Cow Slaughter Continues Above Year-Earlier Levels

In 1964, federally inspected cow slaughter totaled 5.3 million head, up sharply from 1963 with the major part of the increase coming after midyear. However, total commercial cow slaughter probably was not up as much as federally inspected slaughter.

Since cow slaughter was up substantially last year, the 3-percent increase in number of beef cows on farms January 1 was about half the rate of increase of the 2 preceding years. The increase in overall beef cow numbers last year probably was due to a large increase in the number of heifers added to breeding herds. Beef cow herds increased or remained the same in all but 5 States (Virginia, West Virginia, Louisiana, Texas, and New Mexico). The largest decline, 79,000 head, occurred in New Mexico, the result of drought in that area.

Cow slaughter in federally inspected plants totaled 500,000 head in January--an increase of 19 percent over year-earlier levels. With the continued buildup of beef herds, drought and low feeder cattle prices--which resulted in increased slaughter of cows during the second half of last year--probably will continue to keep cow slaughter above year-earlier levels until spring pastures materialize.

The February 1 Western Range Report indicated that moisture supplies were sufficient to insure good spring grazing in most Intermountain and Pacific areas, but that some sections of the Southern Plains would need additional moisture. In addition, feed supplies were short in the Central and Northern Plains. Continued drought in these areas likely will result in continued heavy slaughter of cows and other nonfed animals. With cow slaughter likely to average somewhat above year-earlier levels this winter and early spring, cow prices probably will show only a modest seasonal rise and average a little below year-earlier levels.

Imports of beef were down 29 percent last year and they are expected to continue at a reduced level in 1965. This will continue to lend limited support to cow prices this year.

HOGS

Hogs on Farms Down 9 Percent

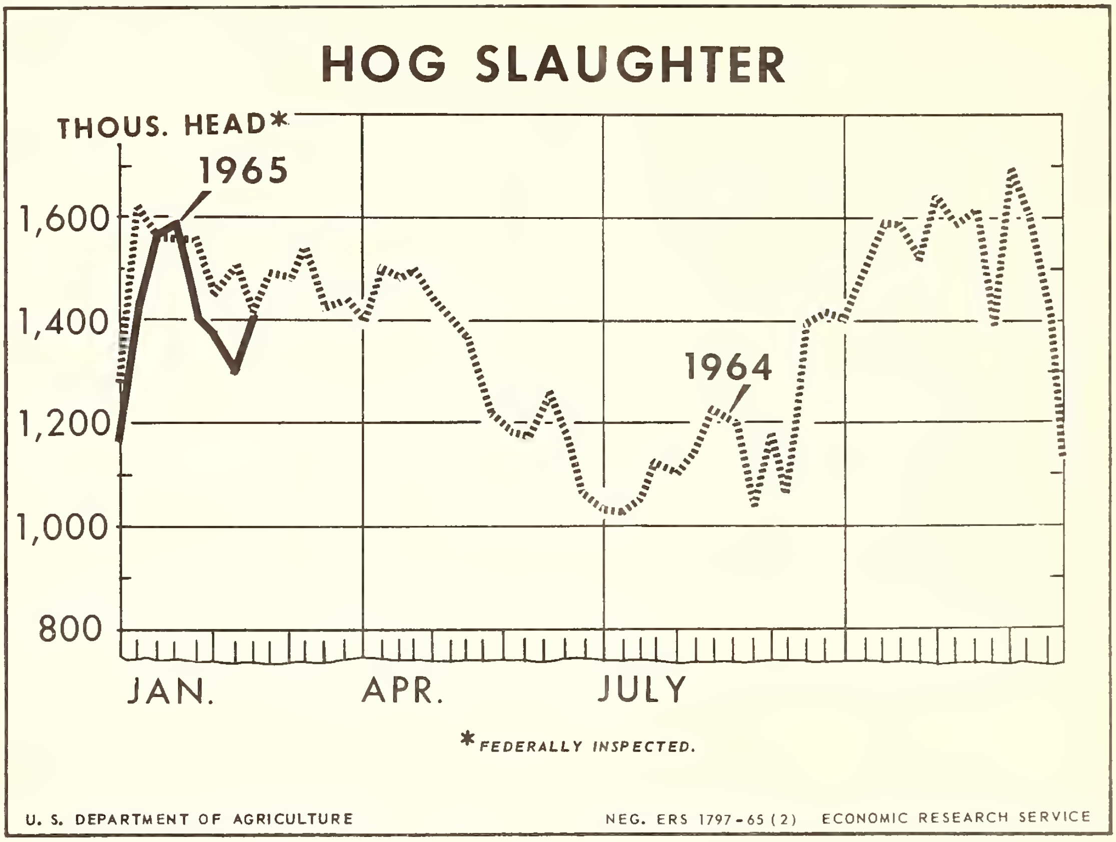
The number of hogs on farms January 1, 1965, dropped to 53.1 million head, 9 percent below a year earlier. This was the smallest January 1 inventory since 1958, when there were 51.5 million hogs.

Hog inventories declined from a year earlier in all regions, but the decline in the Corn Belt (12 North Central States) was relatively smaller than in other regions. Numbers in the Corn Belt declined 8 percent to a total of 42.0 million head--79 percent of the U. S. inventory. The number of hogs was down 10 percent in the North Atlantic and South Atlantic regions, 13 percent in the South Central, and 12 percent in the Western region.

Commercial Hog Slaughter Down; Prices Up

Commercial hog slaughter declined in January compared with the previous month and a year earlier. Slaughter in commercial plants totaled 7.0 million head, down 9 percent from December 1964 and 13 percent below a year earlier. On a weekly basis, January slaughter was down only 9.7 percent from a year earlier since there were 2 fewer slaughtering days this January. Hog slaughter under Federal inspection continued about 10 percent below year-earlier levels during February.

Commercial pork production in January declined somewhat more than the number slaughtered, because average live and dressed weights also declined. Lighter marketing weights continued in February.



The reductions in hog slaughter and pork production were accompanied by higher hog prices. Barrows and gilts at 8 markets averaged $16.06 per hundredweight in January, up 51 cents from the previous month and $1.36 above January 1964. Sow prices also rose, averaging $13.10 at 8 markets in January, up 76 cents from the previous month and up $1.08 from a year earlier.

Smaller Supplies and Higher Prices to Continue

With the June-November 1964 pig crop--the main source of slaughter hogs during the first half of 1965--down 8 percent from a year earlier, hog slaughter through midyear likely will continue well below year-earlier levels. Slaughter supplies may not be off quite as much early in the spring but likely will drop off sharply again as summer approaches.

In the December 1 Pig Crop Survey, producers reported intentions to have 7 percent fewer sows farrow during December 1964-May 1965. The likelihood of fewer farrowings throughout the spring season indicates that hog slaughter next summer and fall probably will stay below 1964 levels. Somewhat more favorable prices and a better hog price outlook for producers through this summer and fall may encourage producers to have more sows farrow than intended. However, corn prices as well as hog prices have risen lately and the relationship between the 2 is only slightly more favorable to hog production than it was in the last quarter of 1964. Also, the expected seasonal rise in corn prices this spring

Table 4.--Selected prices per 100 pounds of livestock, by months, 1964-65

Month	Barrows and gilts at 8 markets 1/		Sows at 8 markets 1/		Choice lambs at Denver		Choice feeder lambs at Denver	
	1964	1965	1964	1965	1964	1965	1964	1965
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	14.70	16.06	12.02	13.10	19.12	21.98	17.71	20.88
February	14.70	2/17.02	12.51	2/14.62	20.17	2/23.30	18.93	2/21.78
March	14.48		12.63		21.39		20.56	
April	14.16		12.29		22.65		20.87	
May	14.84		12.49		22.84		21.28	
June	15.83		12.85		23.20		20.77	
July	17.11		13.44		22.82		20.18	
August	17.05		13.78		22.77		19.57	
September	16.76		14.28		22.53		20.43	
October	15.39		13.05		21.76		20.80	
November	14.43		11.85		20.56		20.08	
December	15.55		12.34		20.23		19.79	
Average	15.31		12.84		21.56		20.08	

1/ Average for all weights at Midwest markets. 2/ February is 4-week average.

Compiled from Market News, Livestock Division, AMS.

and summer and smaller supplies of corn on farms will tend to hold down an expansion in farrowings. If an expansion does get underway this year, it probably will not be reflected in slaughter supplies until late this year or early in 1966. If an expansion occurs, spring and summer marketings likely will be reduced further as gilts are withheld from slaughter for breeding.

Hog prices so far in the first quarter have averaged $16.53, well above the January-March 1964 average of $14.60 (barrows and gilts at 8 markets). Prices likely will continue strong until supplies increase seasonally this spring. Although prices may decline a little during some weeks this spring, late spring and summer prices likely will be considerably higher than in 1964.

Last year, hog prices peaked in July when the monthly average price was $17.11 (barrows and gilts at 8 markets), $1.33 below the 1963 peak price in July. Prices remained relatively stable in August and September last year and then declined through November as slaughter supplies increased seasonally. In view of the monthly farrowing pattern, prices likely will peak again in early summer but at a substantially higher level. Prices in late summer likely will fall off more rapidly than last year but still will average well above year-earlier levels.

Table 5.--Price of barrows and gilts and commercial production of pork and all red meat, by months, 1963 to date

Month	Price of barrows and gilts per 100 pounds Chicago			Commercial production					
				Pork			All red meat		
	1963	1964	1965	1963	1964	1965	1963	1964	1965
	Dol.	Dol.	Dol.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Jan.	15.76	14.81	16.33	1,063	1,161	1,016	2,560	2,818	2,690
Feb.	15.25	14.75	1/17.22	922	972		2,218	2,390	
Mar.	14.10	14.56		1,056	1,051		2,463	2,590	
Apr.	13.90	14.33		1,037	1,072		2,468	2,713	
May	15.20	15.06		986	920		2,514	2,549	
June	17.32	16.17		824	867		2,249	2,581	
July	18.70	17.39		850	851		2,355	2,533	
Aug.	17.65	17.37		856	812		2,393	2,419	
Sept.	16.05	17.06		954	937		2,437	2,621	
Oct.	15.65	15.69		1,110	1,138		2,783	2,919	
Nov.	14.85	14.70		1,075	1,107		2,503	2,697	
Dec.	14.49	15.86		1,130	1,118		2,573	2,813	
Year	15.53	15.54		11,863	12,005		29,516	31,647	

1/ February is 4-week average.

Hog Slaughter Weights Down Since December

Hogs went to slaughter at heavier weights than a year earlier each month in 1964 until December. Then the average weight dropped below a year earlier and has remained below since.

Barrows and gilts as well as sows contributed to the 1964 increases in average slaughter weights over a year earlier, and to the decrease which began in December. The average live weight of all hogs slaughtered under Federal inspection last year ranged from 1 pound heavier than a year earlier in January to 7 pounds heavier in October. But in December, live weights were down to 244 pounds, 1 pound below a year earlier. Live hogs averaged 241 pounds in January, 3 pounds below January 1964.

Heavier marketing weights last year contributed significantly to the already large supplies of red meats and put additional pressure on hog prices. So far this year, marketing weights have averaged about 3 pounds below year-earlier levels. If this continues, pork production this year will be off even more than the decrease in number of head slaughtered, giving an additional boost to prices.

Cold Storage Holdings Up Seasonally, But Below Year Earlier

Cold storage holdings of pork usually increase during January. The net increase in January this year was 26 million pounds, compared with 56 million pounds a year earlier. This brought February 1 cold storage holdings to a total of 310 million pounds, 7 percent below a year earlier. However, except for 1964, February 1 stocks this year were the largest since 1960.

Pork cold storage stocks usually increase further during the first half of the year, with peak holdings almost always reported on July 1. Thereafter, stocks fall off seasonally with the summer decline in hog slaughter and the rise in pork prices. Net withdrawals from cold storage holdings from midyear until the last 2 or 3 months of the year tend to partially offset the price effects of the smaller slaughter during the summer.

The level of cold storage holdings is to a considerable extent an indicator of trade expectations of the relationship between current prices and those in future months. The present level of holdings, although down somewhat from a year earlier, suggests that owners of the stocks are generally optimistic about prices later in the year.

SHEEP AND LAMBS

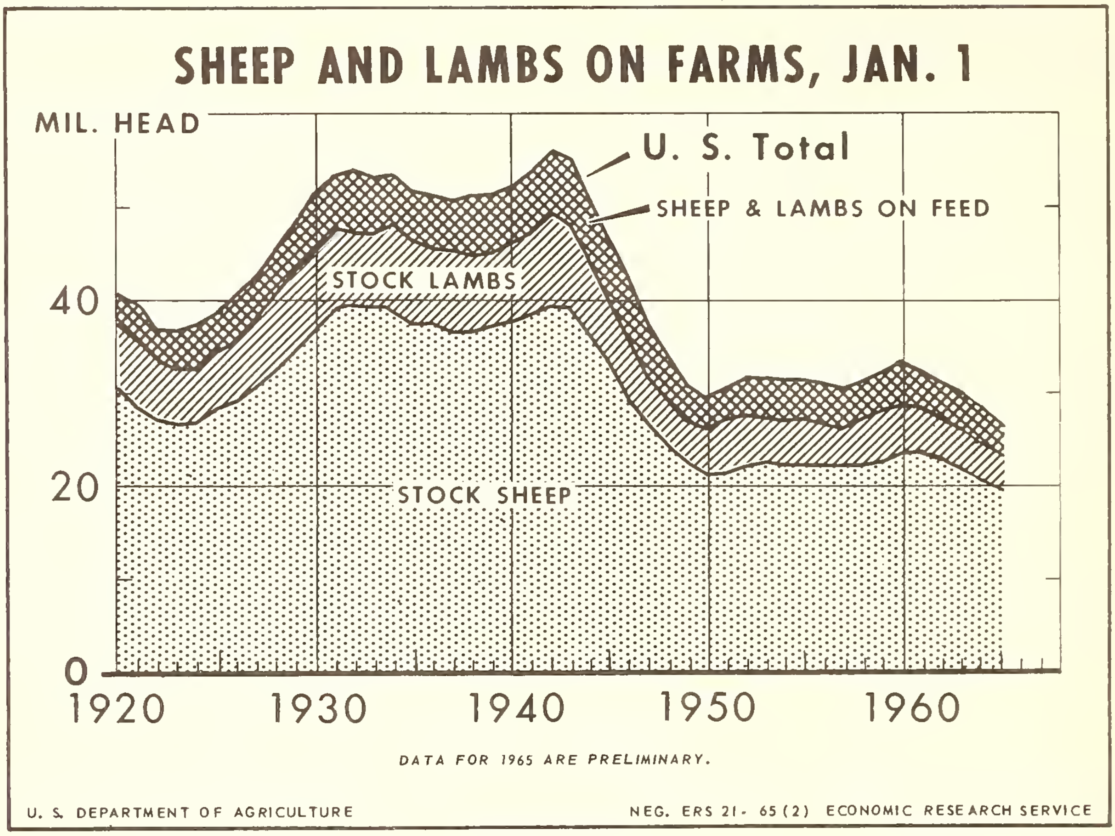
Downswing in Sheep Numbers Continues

The number of sheep and lambs on farms January 1, 1965, declined to 26.7 million head--1.3 million head below a year earlier and the smallest number since records were begun in 1867. This was the fifth consecutive year that sheep numbers declined. This year's beginning inventory was 20 percent below January 1, 1960, when the current downswing began.

The 5 percent reduction in sheep and lamb numbers from a year earlier included 4 percent fewer stock sheep and 9 percent fewer sheep and lambs on feed. Ewe lambs were down 7 percent and ewes 1 year old and older were down 4 percent.

The decline in numbers was general throughout the country. Stock sheep numbers were down 4 percent in both the Native sheep States and in the 13 Western sheep States (11 Western States plus South Dakota and Texas). Of the 35 Native sheep States, only New York, Pennsylvania, Indiana, and Iowa gained over a year earlier in the number of stock sheep. In all other native States, the stock sheep inventory either held steady or declined. States showing the largest declines were Minnesota, Kentucky, Tennessee, Mississippi, and Arkansas.

Within the Western sheep States, the number of stock sheep decreased or held steady in all States except Idaho, Arizona, Utah, and Nevada. The

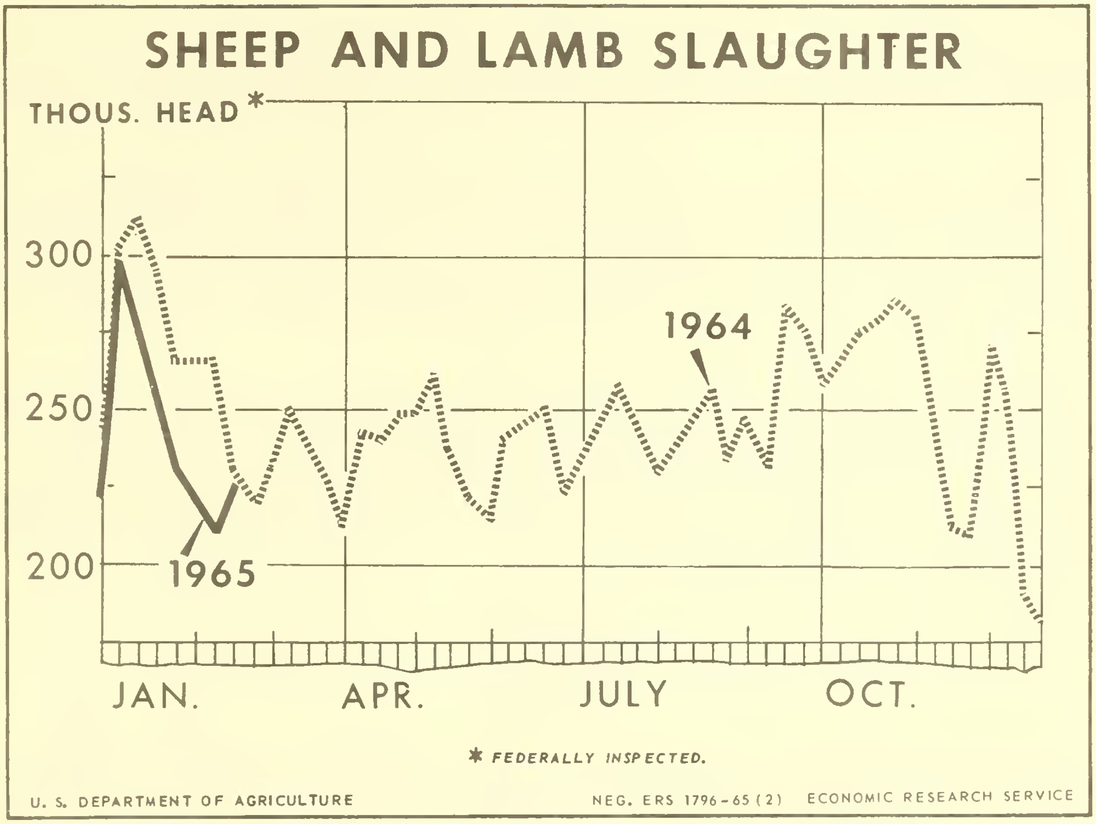


largest decreases in stock sheep numbers were in New Mexico, down 11 percent, and South Dakota, down 8 percent. Stock sheep numbers in Texas, the leading sheep State, were down 7 percent.

1965 Lamb Crop to be Down

The 1965 lamb crop is expected to be down 3 to 4 percent from a year earlier because of the 4 percent reduction in ewes 1 year old and older. Although lamb prices in 1964 were higher than in several years, producers did not retain large numbers of ewe lambs for addition to breeding flocks. In 1964, producers continued to shift from lamb production to other enterprises, particularly beef cattle.

Producers in the past few years have not considered the long-term outlook for lambs and wool favorable enough to reverse the downtrend in sheep numbers. Sheep and lamb slaughter in 1964 was down 8 percent from a year earlier, but numbers still declined during the year. It would take a further drop of about 15 percent in slaughter this year to hold the sheep and lamb inventory steady, and a larger cutback before inventories would increase. Slaughter will not likely be reduced enough this year to prevent a further decline in sheep numbers.



Sheep and Lamb Slaughter Down, Price Up

Commercial slaughter of sheep and lambs was down 19 percent in January from the year before. Weekly slaughter in federally inspected plants during February averaged about 13 percent below the same weeks a year earlier.

Slaughter rates likely will continue well below year-earlier levels most of this year, but probably not at the same rate as in January and February. Besides the reduction in number of lambs on feed January 1 (down 9 percent), the 1965 lamb crop is expected to be down. Both the early lamb crop (those born before March 15) which comes mainly from the Western States and the late lamb crop (coming from the Native States) are expected to be down about the same percentage.

With the reduced slaughter in January, lamb prices were $21.98 (Choice lambs, Denver), $2.86 above year-earlier levels. Lamb prices in February continued upward as supplies declined, and in the week ended February 27 averaged $23.25, more than $2.50 above year-earlier levels. Slaughter lamb prices likely will continue well above year-earlier levels through most of the year in response to smaller slaughter supplies.

Easter is on April 18 this year--about 3 weeks later than in 1964. This means that spring lambs probably will be available in large volume by that time

and retail stores will be able to feature spring lamb for Easter. There will likely be strong demand for the expected smaller supplies of spring lambs, and lamb prices are expected to average above those of a year earlier.

Feeder lamb prices also have increased substantially in response to reduced supplies and favorable slaughter lamb prices. Prices of feeder lambs averaged $20.88 in January, more than $3 above a year earlier. Feeder lamb prices likely will increase a little this spring and follow any price movement in slaughter lambs. This likely will be a profitable year for producers, especially those who can feed out their own lambs.

Sheep and lambs are coming through the winter in about average condition. On February 1, condition of sheep and lambs was reported at 81 in the 17 Western range States. This was 1 point above the same date a year earlier, but 1 point below the 1959-63 average. Condition was maintained by increased supplemental feeding. However, range feed conditions are also about the same as a year earlier and only slightly below average.

MEAT PRICES

WHOLESALE

Wholesale prices of pork and lamb were up sharply at most markets during January and averaged well above month-earlier averages. Wholesale beef prices increased only slightly as large supplies of beef continued to come to market.

Beef

Steer beef prices at various markets (Choice, 600-700 pounds, less than carlot) averaged from 20 to 60 cents per hundred weight higher during January than in December. After strengthening slightly in early January, prices declined moderately in early February. Large supplies this spring likely will hold prices near current levels.

Lamb

Carcass lamb prices increased sharply throughout January at both New York and Chicago and averaged about $3 per 100 pounds higher than in December 1964, and about $6 above year-earlier prices. Although carcass prices in January were only slightly higher than in December at the Los Angeles market, Choice lambs (45-55 pounds, less than carlot) averaged $47.75 during January, more than $6 above year-earlier prices.

Strong demand and short supplies increased prices into February. By late February, wholesale prices were $6-8 above year-earlier levels. Wholesale lamb prices likely will continue well above year-earlier levels this spring since no basic change is expected in the supply-demand situation.

Table 6.--Wholesale dressed meat prices, less than carlot basis, at selected markets for beef, pork, and lamb, 1964 to date

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Choice steers 600-700 lb.											
	New York											
	Dollars per 100 pounds											
1964	39.85	38.11	37.78	37.89	37.16	38.35	40.85	42.36	43.03	41.86	40.85	39.96
1965	40.30											
By week												
1	39.50	40.25										
2	39.45	40.25										
3	40.25	40.65										
4	40.75	40.25										
5	40.75											
	Chicago											
1964	39.32	38.31	37.75	37.27	36.08	37.12	39.86	42.06	42.88	41.32	40.88	39.78
1965	40.40											
By week												
1	39.25	39.75										
2	40.12	39.35										
3	40.75	39.25										
4	40.50	39.50										
5	40.25											
	Los Angeles											
1964	39.00	38.92	39.14	38.94	37.44	38.34	41.23	40.74	41.35	40.23	39.69	40.20
1965	40.44											
By week												
1	40.38	40.25										
2	40.25	39.56										
3	40.50	39.50										
4	40.50	39.75										
5	40.50											
	Pork loins 8-12 lb.											
	New York											
1964	43.83	41.32	40.91	40.14	39.48	46.14	50.31	51.34	50.30	47.80	40.14	40.30
1965	46.00											
By week												
1	42.00	44.90										
2	42.70	45.50										
3	47.00	45.10										
4	48.20	45.25										
5	46.10											
	Chicago											
1964	41.02	39.34	38.16	39.00	38.90	45.61	50.40	51.45	48.25	45.74	39.01	39.49
1965	44.16											
By week												
1	41.50	43.62										
2	42.10	44.38										
3	45.25	43.25										
4	45.40	43.50										
5	43.90											
	Los Angeles											
1964	41.77	39.56	39.84	39.93	41.60	47.36	51.60	52.84	50.65	48.69	41.83	42.03
1965	46.70											
By week												
1	44.75	44.88										
2	43.19	47.25										
3	48.75	47.00										
4	48.25	46.33										
5	46.62											
	Choice lamb, 45-55 lb.											
	New York											
1964	41.38	41.82	44.75	45.68	49.32	50.92	50.55	51.78	49.83	47.08	45.25	44.51
1965	47.34											
By week												
1	44.25	49.00										
2	46.05	49.00										
3	47.15	49.60										
4	47.75	51.62										
5	48.40											
	Chicago											
1964	40.72	41.12	44.69	45.52	46.80	51.31	49.92	50.38	48.73	46.50	44.21	43.15
1965	46.16											
By week												
1	43.50	48.75										
2	44.75	48.75										
3	45.50	49.75										
4	46.25	51.00										
5	48.12											
	Los Angeles											
1964	41.38	41.00	41.47	45.33	46.50	47.34	49.23	49.42	50.22	49.44	48.38	47.31
1965	47.75											
By week												
1	47.50	47.75										
2	47.00	47.00										
3	48.00	47.06										
4	48.00	47.33										
5	48.00											

Pork Loins

Wholsesale prices of pork loins, 8-12 pounds, increased substantially through mid-January. For the whole month, prices at various markets averaged from $4.50 to $5.50 per 100 pounds higher than a month earlier. Prices are expected to remain well above year-earlier levels through most of the year in response to smaller slaughter supplies.

RETAIL

Beef

Retail prices of beef in 1964 averaged about 78 cents a pound, more than 3 cents below 1963 and the lowest yearly average since 1957. The composite retail price of Choice beef fluctuated from a low of 75.4 cents a pound in June to a high of 80.7 cents in September. Retail prices are now near those of last fall, and probably will not exceed current levels this spring and summer.

Retail prices for cuts of beef in 1964 declined during the early part of the year in response to large production. Prices of retail cuts rose in late summer but declined slightly during the fourth quarter.

Veal prices were high relative to beef prices in 1964 because of the downward trend in veal production. However, calf slaughter increased somewhat in 1964 and veal prices were lower in every month than in the corresponding months of 1963. In January, veal prices averaged 81.7 cents per pound, slightly lower than year-earlier levels.

Pork

The monthly composite retail price of pork products, excluding lard, in 1964 ranged from a low of 55 cents in March to a high of approximately 60 cents in September. For the year, the composite retail price of pork cuts and sausage averaged slightly over 56 cents a pound, the lowest yearly average since 1956.

Retail prices for most pork cuts declined during the early part of 1964. However, prices increased in June and reached a yearly high in September as hog slaughter declined seasonally during the summer. The retail price of center cut pork chops last September averaged 99.7 cents a pound, equaling the monthly high set in September 1962.

Retail prices declined during the fourth quarter as hog slaughter increased seasonally. By December, summer gains had been erased, and except for hams, prices were below year-earlier levels.

Smaller pork production this year points to higher retail pork prices for the next few months, followed by a rather strong seasonal rise this summer, when retail prices probably will average substantially above year-earlier

Table 7.--Average retail price of meat per pound, United States, by months, 1959 to date 1/

Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
	Pork, retail cuts and sausage												
1959	60.9	58.5	57.3	57.8	58.0	58.3	57.9	56.3	57.0	55.3	53.6	52.0	56.9
1960	51.7	51.7	52.8	54.6	55.9	57.4	58.9	59.6	58.5	58.9	58.5	59.0	56.5
1961	59.3	59.5	59.3	58.9	57.7	57.7	58.9	59.9	60.8	60.3	58.2	57.4	59.0
1962	58.0	57.9	57.2	57.7	57.3	57.8	59.9	61.7	64.3	61.0	59.4	58.9	59.3
1963	58.5	57.6	56.5	54.9	54.7	56.4	58.8	59.9	59.6	57.9	56.5	56.1	57.3
1964	55.8	55.8	55.3	54.9	54.6	54.8	56.7	57.6	59.6	58.3	56.9	56.2	56.4
1965	56.5												
	Beef, Choice grade												
1959	82.6	83.3	83.2	83.3	83.7	83.3	83.6	82.0	82.1	82.2	82.3	81.9	82.8
1960	81.5	81.0	81.2	82.6	82.1	81.5	80.9	80.8	80.0	79.6	79.7	80.5	81.0
1961	82.1	81.8	81.3	80.6	79.4	77.3	76.3	76.6	77.7	78.1	79.0	79.6	79.2
1962	80.2	80.8	80.8	81.1	80.7	79.8	80.2	81.6	87.2	85.5	85.6	85.8	82.4
1963	85.5	84.9	83.1	79.5	79.6	78.1	78.8	81.3	81.0	80.7	80.4	78.9	81.0
1964	77.8	78.2	76.6	76.6	76.0	75.4	77.3	77.6	80.7	80.1	79.1	78.7	77.8
1965	78.9												
	Lamb, Choice grade												
1959	69.2	67.1	67.1	70.2	72.0	73.2	72.8	73.7	70.4	66.2	65.9	65.4	69.4
1960	65.7	68.0	69.2	68.0	70.6	72.0	67.7	66.8	68.9	67.6	68.7	68.7	68.5
1961	66.8	66.7	66.1	63.7	62.9	63.8	63.3	63.8	65.1	63.7	64.1	66.9	64.7
1962	68.1	66.5	67.5	67.1	67.4	71.2	71.6	70.9	71.5	70.3	70.8	70.7	69.5
1963	71.8	71.3	69.7	71.3	71.4	72.4	72.2	71.7	71.6	71.2	71.1	69.6	71.3
1964	72.4	70.9	72.4	71.1	71.9	72.9	74.3	75.9	76.9	76.4	76.1	76.4	74.0
1965	68.7												
	Veal, retail cuts												
1959	80.2	82.8	79.9	82.5	80.1	80.5	78.1	79.6	81.6	77.0	73.6	78.1	79.5
1960	77.2	78.5	78.7	81.4	79.9	81.4	82.1	79.6	78.0	77.4	75.7	74.9	78.7
1961	77.6	79.9	79.4	78.4	79.6	78.7	77.7	79.7	78.9	79.8	79.9	79.1	79.1
1962	80.9	82.9	82.4	80.7	82.5	82.2	82.8	83.6	82.3	82.7	82.2	81.9	82.3
1963	81.8	83.6	83.8	81.4	82.7	83.7	82.8	82.4	83.9	83.8	82.1	83.6	83.0
1964	82.2	82.0	82.4	83.1	82.4	81.6	81.9	81.4	82.2	81.6	80.8	81.2	81.9
1965	81.7												

1/ Some retail prices differ slightly from those previously published. These prices are estimates of U. S. average retail prices in urban areas and are based on price data collected by the Bureau of Labor Statistics. Part of the difference between prices in this table and those formerly published was caused by a change in the sample of stores from which the BLS collects price quotations. Since July 1964, the BLS has collected prices in 50 urban areas, only 14 of which were in the group of 46 urban areas where prices formerly were collected. The retail price of pork now published is an estimated weighted average of prices of the principal retail cuts and sausage. Formerly, prices of sausage were not included.

Table 8.--Average retail price of specified meat cuts, per pound, by months, 1962 to date 1/

Year and Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
Beef												
Porterhouse steak												
1964	121.8	122.7	120.6	121.2	120.2	120.1	124.2	124.9	127.8	127.1	124.4	123.9
1965	126.1											
Round steak												
1962	105.4	106.1	105.1	106.2	105.5	105.8	105.9	106.5	112.6	111.2	110.9	112.0
1963	110.8	111.0	109.0	104.7	104.7	103.3	104.3	107.0	105.5	107.2	106.4	102.8
1964	103.2	103.3	101.8	102.2	101.7	100.4	103.8	103.8	108.6	107.9	105.3	104.9
1965	104.5											
Rib roast												
1962	82.9	81.5	82.1	82.1	82.0	82.3	82.6	83.5	88.8	87.0	87.3	87.5
1963	88.4	86.8	84.8	82.2	82.3	81.8	82.4	83.4	83.6	83.4	82.2	83.4
1964	82.5	83.1	81.2	81.0	80.2	80.2	82.2	82.4	86.6	85.1	84.6	84.1
1965	85.7											
Rump roast												
1964	105.1	105.8	102.5	103.7	103.5	102.0	104.6	103.9	107.5	107.2	105.7	105.4
1965	104.4											
Chuck roast												
1962	60.4	61.1	61.9	61.9	60.7	59.0	59.5	61.3	66.6	65.0	65.1	65.2
1963	65.2	64.3	63.0	59.2	59.0	56.6	57.2	60.2	60.3	59.4	59.9	59.2
1964	57.2	57.4	56.4	55.9	54.6	53.4	54.6	56.0	59.8	59.7	58.5	57.9
1965	57.7											
Hamburger												
1962	51.5	51.3	51.5	51.5	51.3	51.4	51.4	51.5	53.9	53.4	53.2	53.4
1963	53.1	52.7	52.0	51.0	50.8	50.5	50.6	50.4	51.6	51.0	51.0	51.2
1964	50.3	49.7	49.0	48.9	48.4	47.9	49.0	49.1	50.6	50.5	50.5	50.3
1965	50.2											
Veal cutlet												
1962	145.0	147.5	146.8	146.3	147.8	147.5	147.1	148.3	149.8	150.2	150.6	150.4
1963	149.9	151.9	151.7	151.0	150.0	151.2	152.4	151.8	151.8	152.0	152.0	152.1
1964	142.3	143.4	143.6	143.3	142.5	142.2	141.4	141.6	143.0	140.9	140.3	141.3
1965	142.3											
Pork												
Chops												
1962	87.4	87.9	87.3	86.7	86.5	86.3	90.9	94.3	99.7	91.9	90.4	88.5
1963	89.0	88.1	86.9	81.1	83.1	87.4	90.9	92.7	92.9	90.5	88.3	87.4
1964	85.5	84.9	82.7	83.1	82.7	84.6	91.9	93.8	99.7	93.1	88.4	86.0
1965	88.4											
Bacon, sliced												
1962	67.7	67.9	67.7	67.8	68.4	68.8	71.8	74.0	75.8	73.6	70.9	69.7
1963	68.9	67.6	65.9	64.3	64.4	65.7	71.4	73.4	72.9	69.9	67.4	67.3
1964	65.1	66.2	65.8	65.8	65.7	65.7	66.4	67.2	69.6	68.5	67.2	67.0
1965	66.9											
Hams, whole												
1962	62.2	61.8	61.5	62.1	61.1	61.2	61.3	62.4	63.9	62.9	63.3	63.9
1963	63.2	62.4	61.3	60.4	58.2	59.0	60.1	61.0	60.9	60.8	60.7	60.7
1964	61.6	61.3	60.8	60.0	59.6	59.6	60.6	61.4	61.2	61.8	61.0	61.3
1965	61.1											
Roast, loin												
1962	62.2	62.5	61.9	62.1	61.0	61.1	64.0	66.4	71.4	67.0	65.2	64.1
1963	64.0	63.3	62.6	59.7	59.3	61.7	64.1	64.7	65.0	63.1	62.0	61.0
1964	59.4	59.1	58.1	57.6	57.1	58.2	62.7	64.1	68.6	64.9	62.1	60.3
1965	61.4											
Lamb chops												
1964	127.5	127.1	128.1	128.4	128.7	131.1	133.7	134.6	137.3	137.0	134.3	134.9
1965	135.7											

1/ Data beginning January 1, 1964, based on new series of Consumer Price Index.
Compiled from data of the Bureau of Labor Statistics.

levels. Retail pork prices are expected to drop slightly next fall in response to the seasonal increase in production but they will likely average above prices last fall.

Lamb

Lamb slaughter was down substantially in 1964 and retail prices were up approximately 3 cents from the 1963 average of 71.3 cents per pound. In December, retail lamb prices were approximately 7 cents a pound higher than year-earlier levels. Overall retail prices of lamb are expected to continue well above last year's levels because of substantially smaller slaughter supplies this year.

RANK OF STATES IN LIVESTOCK NUMBERS

The number of cattle and calves on farms and ranches increased only slightly during 1964 to 107.2 million head, while numbers of hogs and sheep were down. Although beef cattle numbers increased by 2 percent, this increase was largely offset by the continuing decline in dairy cattle.

The relative importance of each State in U. S. livestock production is shown in tables 9 and 10. However, such a ranking is not necessarily a good indication of the relative importance of livestock to producers within a particular State.

The top 10 States in number of all cattle and calves on farms during 1964 were the same as those a year earlier. The number of cattle and calves on farms declined during the year in 23 States, but 21 States increased cattle inventories. Six States showed no change. Montana and South Dakota gained 5 percent, the largest percentage increase, while New Mexico had the sharpest drop, 12 percent.

Year-to-year changes in State ranking are usually slight. However, since 1955 California has risen from ninth largest State in number of cattle and calves on farms to fifth position. During the same period Wisconsin dropped from fifth to eighth and Illinois from seventh to eleventh place. In general, States with large numbers of milk cows have declined in their relative position in number of all cattle and calves on farms, while predominantly beef States have increased their ranking during the past decade. This shift reflects the decline in milk animals and the increase in the national beef herd.

Dairy cows are more concentrated today than they were 10 years ago. The top 10 States in number of milk cows increased their percentage of the total number of milk cows on farms from 53 percent in 1955 to 58 percent at the beginning of this year. During the same period the 10 leading States in number of beef cows on farms and ranches had almost a constant percentage of the total number on hand.

Table 9.--Rank of States in number of cattle and calves on farms, January 1, 1965

Rank	All cattle and calves		Beef cattle and calves (cattle not for milk)			
			Total		Beef cows 2 years and over	
	State	Number	State	Number	State	Number
		1,000 head		1,000 head		1,000 head
1	Texas	10,239	Texas	9,458	Texas	5,169
2	Iowa	7,338	Iowa	6,060	Oklahoma	1,862
3	Nebraska	6,002	Nebraska	5,565	Nebraska	1,851
4	Kansas	5,159	Kansas	4,671	South Dakota	1,724
5	California	4,684	South Dakota	3,888	Kansas	1,580
6	Minnesota	4,652	Oklahoma	3,854	Missouri	1,466
7	Missouri	4,435	Missouri	3,506	Montana	1,387
8	Wisconsin	4,426	California	3,329	Iowa	1,282
9	South Dakota	4,278	Illinois	3,077	California	956
10	Oklahoma	4,190	Montana	2,650	Mississippi	951
11	Illinois	3,938	Minnesota	2,403	Louisiana	926
12	Montana	2,758	Colorado	2,351	North Dakota	905
13	Colorado	2,537	North Dakota	1,925	Colorado	899
14	Kentucky	2,495	Kentucky	1,767	Florida	838
15	North Dakota	2,299	Mississippi	1,698	Kentucky	843
16	Tennessee	2,219	Florida	1,607	Alabama	774
17	Mississippi	2,192	Indiana	1,561	Illinois	766
18	Indiana	2,188	Louisiana	1,522	Tennessee	749
19	Ohio	2,138	Tennessee	1,519	Arkansas	690
20	New York	2,046	Alabama	1,454	Oregon	673
21	Louisiana	1,890	Oregon	1,366	Georgia	634
22	Pennsylvania	1,874	Georgia	1,297	Wyoming	621
23	Florida	1,848	Wyoming	1,286	New Mexico	617
24	Alabama	1,810	Idaho	1,237	Minnesota	513
25	Michigan	1,717	Arkansas	1,223	Idaho	494
26	Oregon	1,614	Ohio	1,201	Virginia	419
27	Georgia	1,602	Arizona	1,058	Indiana	417
28	Idaho	1,589	Washington	1,057	Arizona	406
29	Arkansas	1,500	New Mexico	1,040	Washington	366
30	Washington	1,455	Virginia	863	Utah	298
31	Virginia	1,363	Wisconsin	742	Ohio	287
32	Wyoming	1,327	Michigan	642	Nevada	285
33	Arizona	1,140	Utah	591	North Carolina	253
34	New Mexico	1,106	Nevada	526	South Carolina	203
35	North Carolina	906	North Carolina	504	West Virginia	172
36	Utah	748	Pennsylvania	488	Wisconsin	163
37	Nevada	558	South Carolina	398	Michigan	125
38	South Carolina	547	West Virginia	327	Pennsylvania	104
39	West Virginia	494	Hawaii	207	Hawaii	85
40	Maryland	464	Maryland	153	New York	51
41	Vermont	398	New York	140	Maryland	48
42	Hawaii	229	Maine	26	Maine	9
43	Maine	173	Vermont	16	New Jersey	5
44	New Jersey	171	New Jersey	15	Delaware	4
45	Massachusetts	133	Massachusetts	11	Connecticut	3
46	Connecticut	127	Connecticut	10	Massachusetts	3
47	New Hampshire	86	Delaware	10	Vermont	3
48	Delaware	45	New Hampshire	7	New Hampshire	2
49	Rhode Island	17	Alaska	4	Alaska	2
50	Alaska	8	Rhode Island	1	Rhode Island	--
United States		107,152		80,311		32,883

Table 10.--Rank of States in number of milk cows and sheep on farms, January 1, 1965 and pigs saved 1964

Rank	Milk cows 2 years and over		All sheep and lambs		Number of pigs saved 1/	
	State	Number	State	Number	State	Number
		1,000 head		1,000 head		1,000 head
1	Wisconsin	2,378	Texas	4,790	Iowa	19,727
2	Minnesota	1,407	Wyoming	2,195	Illinois	12,306
3	New York	1,325	California	1,758	Indiana	7,262
4	Pennsylvania	911	Colorado	1,582	Missouri	6,603
5	California	867	South Dakota	1,535	Minnesota	5,891
6	Iowa	835	Montana	1,488	Nebraska	4,535
7	Michigan	673	Iowa	1,336	Ohio	4,227
8	Ohio	636	Utah	1,273	Wisconsin	3,456
9	Missouri	608	Idaho	1,049	South Dakota	2,856
10	Texas	523	New Mexico	969	Kansas	2,206
11	Illinois	517	Ohio	765	Kentucky	2,146
12	Kentucky	501	Oregon	693	North Carolina	2,102
13	Tennessee	495	Minnesota	687	Georgia	1,974
14	Indiana	419	Nebraska	605	Tennessee	1,795
15	Virginia	327	Arizona	593	Alabama	1,235
16	Kansas	311	Illinois	574	Texas	1,150
17	Mississippi	303	North Dakota	559	Michigan	1,133
18	Nebraska	301	Kansas	539	Virginia	867
19	Vermont	266	Missouri	522	Pennsylvania	646
20	North Dakota	262	Indiana	443	North Dakota	634
21	North Carolina	261	Michigan	337	Mississippi	605
22	South Dakota	256	Nevada	286	Oklahoma	547
23	Washington	252	Washington	282	South Carolina	543
24	Louisiana	245	Virginia	221	Florida	442
25	Alabama	220	Pennsylvania	214	California	418
26	Maryland	219	West Virginia	213	Arkansas	362
27	Oklahoma	212	Kentucky	206	Colorado	345
28	Idaho	204	Wisconsin	201	Maryland	275
29	Georgia	197	Oklahoma	182	Montana	250
30	Arkansas	188	New York	147	Oregon	224
31	Florida	184	Tennessee	105	Idaho	208
32	Oregon	150	Louisiana	67	Washington	205
33	New Jersey	119	North Carolina	33	Louisiana	203
34	Colorado	118	Maine	29	Massachusetts	131
35	West Virginia	117	Maryland	28	New York	128
36	Utah	99	Arkansas	25	New Jersey	120
37	South Carolina	98	Mississippi	25	West Virginia	112
38	Maine	94	Alaska	20	Utah	88
39	Massachusetts	88	New Jersey	13	New Mexico	66
40	Connecticut	83	Alabama	11	Delaware	62
41	Montana	73	Massachusetts	11	Wyoming	50
42	Arizona	57	Georgia	10	Arizona	41
43	New Hampshire	51	Vermont	10	Maine	26
44	New Mexico	43	Connecticut	8	Connecticut	19
45	Wyoming	28	South Carolina	8	New Hampshire	18
46	Delaware	25	Florida	7	Nevada	18
47	Nevada	17	New Hampshire	7	Vermont	16
48	Hawaii	15	Delaware	5	Rhode Island	10
49	Rhode Island	12	Rhode Island	2		
50	Alaska	3	Hawaii	---		
United States		17,593		26,668		88,283

1/ Total pigs saved from December-May and June-November pig crops, 48 States.

Wisconsin is still by far the leading dairy State and accounts for 13 percent of all milk cows 2 years old and over. Ten years ago 11 percent were in Wisconsin. Texas, the leading beef State, accounts for 16 percent of the beef cows 2 years old and older.

Texas has the largest number of sheep and lambs on farms and accounts for close to a fifth of the total. Last year Idaho rose from tenth to ninth place while New Mexico dropped from ninth to tenth place. The only notable change in leading sheep States during the past 10 years is South Dakota's rise from eighth to fifth ranking.

Kentucky, the tenth State in number of pigs saved during 1963, dropped out of the "top 10" during 1964. Kansas moved up to tenth place. The 10 leading States in number of pigs saved during 1964 again accounted for more than three-fourths of all pigs saved in the United States. Iowa, the most important hog State, showed a decline in number of pigs saved during the year, but still accounted for more than one-fifth.

The Livestock and Meat Situation is published in January, March, May, July, October, and November.

The next issue is scheduled for release May 8, 1965.

Supply and distribution of meat, by months, July 1964 to date

Meat and period	Commercially produced								Total 2/		
	Supply			Distribution							
	Production	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption: Total	Civilian consumption: Per person 1/	Production	Civilian consumption: Total	Civilian consumption: Per person
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.
Beef:											
July	1,543	287	77	6	284	41	1,576	8.4	---	---	---
August	1,475	284	128	7	289	42	1,549	8.2	---	---	---
September	1,534	289	87	6	257	46	1,601	8.5	---	---	---
3rd quarter	4,552	287	292	19	257	129	4,726	25.1			3/25.4
October	1,620	257	78	7	261	42	1,645	8.7	---	---	---
November	1,453	261	86	9	293	40	1,458	7.7	---	---	---
December	1,559	293	87		315	32			---	---	---
4th quarter	4,632	257	251		315	114					
Year	18,016	281	1,176		315	495					
Veal:											
July	81	13	1	4/	13	4	78	0.4	---	---	---
August	83	13	1	4/	12	3	82	.4	---	---	---
September	91	12	1	1	10	3	90	.5	---	---	---
3rd quarter	255	13	3	1	10	10	250	1.3			3/1.4
October	96	10	2	4/	11	2	95	.5	---	---	---
November	82	11	1	1	12	2	79	.4	---	---	---
December	77	12	2		13	2			---	---	---
4th quarter	255	10	5		13	6					
Year	921	13	17		13	35					
Lamb and mutton:											
July	58	18	5	4/	17	4/	64	.3	---	---	---
August	53	17	3	4/	16	1	56	.3	---	---	---
September	59	16	1	4/	15	1	60	.3	---	---	---
3rd quarter	170	18	9	4/	15	2	180	.9			3/1.0
October	65	15	2	4/	14	1	67	.4	---	---	---
November	55	14	4	4/	13	1	59	.3	---	---	---
December	59	13	4		13	4/			---	---	---
4th quarter	179	15	10		13	2					
Year	704	19	79		13	4					
Pork:											
July	851	413	20	15	321	18	930	4.9	---	---	---
August	812	321	17	12	229	24	885	4.7	---	---	---
September	937	229	20	13	184	23	966	5.1	---	---	---
3rd quarter	2,600	413	57	40	184	65	2,781	14.7			3/15.2
October	1,138	184	20	12	223	21	1,086	5.7	---	---	---
November	1,107	223	18	16	275	17	1,040	5.5	---	---	---
December	1,118	275	23		284	14			---	---	---
4th quarter	3,363	184	61		284	52					
Year	12,006	277	231		284	229					
All meat:											
July	2,533	731	103	21	635	63	2,648	14.0	---	---	---
August	2,423	635	149	19	546	70	2,572	13.6	---	---	---
September	2,621	546	109	20	466	73	2,717	14.4	---	---	---
3rd quarter	7,573	731	361	60	466	206	7,937	42.0			3/43.0
October	2,919	466	102	19	509	66	2,893	15.3	---	---	---
November	2,697	509	109	26	593	60	2,636	13.9	---	---	---
December	2,813	593	116		625	48			---	---	---
4th quarter	8,429	466	327		625	174					
Year	31,647	590	1,503		625	763					

1/ Derived from estimates by months of population eating out of civilian food supplies. 2/ Includes production and consumption from farm slaughter. 3/ Estimated. 4/ Less than 500,000 pounds.

Selected price statistics for meat animals and meat

Item	Unit	1964 Year average or total	1964 February	1964 December	1965 January	1965 February
Cattle and calves						
Beef steers, slaughter	Dollars per					
Chicago, Prime	100 pounds	24.10	21.98	25.18	25.59	
Choice	do.	23.12	21.34	24.01	24.28	
Good	do.	21.91	20.59	22.55	22.61	
Standard	do.	18.57	18.25	18.95	18.72	
Utility	do.	16.92	15.95	16.64	16.59	
All grades	do.	22.86	21.18	23.76	23.83	
Omaha, all grades	do.	21.55	20.18	21.97	22.07	
Sioux City, all grades	do.	21.71	20.43	22.31	22.47	
Cows, Chicago						
Commercial	do.	13.57	13.47	12.29	12.72	
Utility	do.	13.74	13.51	12.50	12.80	
Cutter	do.	12.91	12.94	11.67	11.94	
Canner	do.	11.69	11.82	10.31	10.94	
Vealers, Choice, S. St. Paul	do.	27.11	31.91	27.37	31.12	
Stocker and feeder steers, Kansas City 1/	do.	19.79	21.57	18.80	19.88	
Price received by farmers						
Beef cattle	do.	2/18.05	18.10	17.40	18.00	
Cows	do.	2/12.45	13.00	11.10	11.90	
Steers and heifers	do.	2/20.10	20.10	19.90	20.40	
Calves	do.	2/20.77	23.30	19.10	20.20	
Hogs						
Barrows and gilts, U. S. No. 1, 2 & 3, Chicago						
200-220 pounds	do.	16.16	15.28	16.48	17.02	
220-240 pounds	do.	15.96	15.09	16.29	16.73	
240-270 pounds	do.	15.35	14.39	15.62	16.03	
All weights	do.	15.65	14.75	15.86	16.33	
Barrows and gilts, 8 markets 3/	do.	15.31	14.70	15.55	16.06	
Sows, Chicago	do.	12.90	12.38	12.34	13.12	
Price received by farmers	do.	2/14.87	14.30	14.70	15.40	
Hog-corn price ratio 4/						
Chicago, barrows and gilts		12.6	12.4	12.8	12.9	
Price received by farmers, all hogs		2/13.2	13.2	12.9	13.4	
Sheep and lambs	Dollars per					
Sheep	100 pounds					
Slaughter ewes, Good, Chicago	do.	6.42	6.95	6.00	6.15	
Price received by farmers	do.	2/5.84	6.10	5.90	5.83	
Lamb						
Slaughter, Choice, Chicago	do.	22.44	20.95	20.98	22.42	
Feeder, Choice, Omaha	do.	—	—	19.62	—	
Price received by farmers	do.	2/19.78	18.50	19.10	20.30	
All meat animals						
Index number price received by farmers (1910-14=100)		2/269	269	261	272	
Meat						
Wholesale, Chicago	Dollars per					
Steer beef carcass, Choice, 500-600 pounds	100 pounds	39.48	38.84	39.78	40.40	
Lamb carcass, Choice, 45-55 pounds	do.	46.00	41.12	43.15	46.16	
Composite hog products:						
Including lard						
71.90 pounds fresh	Dollars	16.96	16.35	16.99	17.69	
Average per 100 pounds	do.	23.59	22.74	23.63	24.60	
71.01 pounds fresh and cured	do.	21.30	20.67	21.35	21.88	
Average per 100 pounds	do.	30.00	29.11	30.07	30.81	
Excluding lard						
55.99 pounds fresh and cured	do.	19.04	18.49	18.90	19.44	
Average per 100 pounds	do.	34.04	33.02	33.76	34.72	
Retail, United States average	Cents					
Beef, Choice grade	per pound	77.8	78.2	78.7	78.9	
Pork, retail cuts and sausage	do.	56.4	55.8	56.2	56.5	
Lamb, Choice grade	do.	74.0	70.9	76.4	68.7	
Index number meat prices (BLS)						
Wholesale (1957-59=100)		89.0	86.3	86.7	89.7	
Retail (1957-59=100) 5/		99.4	99.0	99.8	100.1	

1/ Average all weights and grades.
2/ Simple average of monthly prices.
3/ Chicago, St. Louis N. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.
4/ Number bushels of corn equivalent in value to 100 pounds of live hogs.
5/ Includes beef and veal, pork, leg of lamb and other meats.

Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1964 Year average or total	1964 February	1964 December	1965 January	1965 February
Meat animal marketings						
Index number (1957-59=100)		123	106	126	123	
Stocker and feeder shipments to 8 Corn Belt States						
Cattle and calves	1,000 head	7,096	234	578	428	
Sheep and lambs	do.	2,547	138	134	122	
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	25,133	1,710	2,254	2,166	
Steers	do.	14,395	1,023	1,199	1,198	
Heifers	do.	5,128	364	458	442	
Cows	do.	5,322	308	568	500	
Bulls and stags	do.	287	15	29	26	
Calves	do.	4,820	342	449	404	
Sheep and lambs	do.	12,947	980	1,053	1,062	
Hogs	do.	71,667	5,898	6,648	6,047	
Percentage sows	Percent	8	5	9	6	
Average live weight per head						
Cattle	Pounds	1,041	1,078	1,039	1,043	
Calves	do.	204	203	183	209	
Sheep and lambs	do.	99	103	102	103	
Hogs	do.	243	238	244	241	
Average production						
Beef, per head	do.	603	633	590	600	
Veal, per head	do.	115	115	102	117	
Lamb and mutton, per head	do.	48	51	50	51	
Pork, per head	do.	146	144	147	146	
Pork, per 100 pounds live weight	do.	60	60	60	61	
Lard, per head	do.	30	29	30	29	
Lard, per 100 pounds live weight	do.	12	12	12	12	
Total production						
Beef	Million pounds	15,103	1,080	1,325	1,295	
Veal	do.	550	39	45	47	
Lamb and mutton	do.	624	50	53	54	
Pork	do.	10,445	845	973	883	
Lard	do.	2,153	173	196	175	
Commercial slaughter 1/						
Number slaughtered						
Cattle	1,000 head	30,778	2,116	2,715	2,633	
Calves	do.	7,227	511	661	606	
Sheep and lambs	do.	14,601	1,088	1,180	1,170	
Hogs	do.	82,902	6,820	7,683	6,996	
Total production						
Beef	Million pounds	18,018	1,299	1,559	1,536	
Veal	do.	920	64	77	79	
Lamb and mutton	do.	704	55	59	59	
Pork	do.	12,005	972	1,118	1,016	
Lard	do.	2,384	192	216	194	
Cold storage stocks first of month						
Beef	do.	---	283	293	315	
Veal	do.	---	14	12	13	
Lamb and mutton	do.	---	18	13	13	
Pork	do.	---	333	275	284	
Total meat and meat products 2/	do.	---	724	667	702	

1/ Federally inspected, and other commercial.

2/ Includes stocks of canned meats in cooler in addition to the four meats listed.

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